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UNCLAS SECTION 01 OF 02 COLOMBO 000497

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SUBJECT: ADDITIONAL GSL RESPONSE ON UNCTAD XI

REF: A. SECSTATE 62119

1B. COLOMBO 458

1. Per Ambassador's letter (Ref A), post received a response from Trade Minister Ravi Karunanayake regarding the inclusion of Doha Development Agenda (DDA) issues at UNCTAD XI. Karunanayake's response, repeated in full below, mirrored Trade Secretary Wickremesinghe's response (Ref B) that the GSL will support US desires to avoid reopening sensitive DDA topics as part of UNCTAD. In particular, Karunanayake notes "we have already advised our representatives in Geneva not to support G-77 position (sic), which may lead in any way to re-interpretation of the DDA." The following is the text of Karunanayake's letter:

Begin Text:

Dear Ambassador Lunstead,

I thank you for your letter of 9th March 2004, sharing thoughts of your Government on the preparatory work being undertaken in Geneva for the 11th Session of the UNCTAD to be held in Brazil in June this year.

I agree that following the initiative taken by Ambassador Zoellick to address Trade Ministers of the WTO members, negotiations of the Doha Development Agenda has gathered momentum and that we should collectively endeavour to work towards agreeing to a framework agreement on important negotiating issues, viz. agriculture, NAMA (Non-Agricultural Market Access Negotiations) and services by July this year. Therefore, given that the DDA negotiations are at a sensitive stage, preparatory work being undertaken for the UNCTAD XI to be held in Brazil, should send a positive political message to complement and advance the DDA. At this point, therefore, UNCTAD engaging in a negotiating process to interpret the DDA or re-construe the Doha Ministerial Declaration may not facilitate such a process.

However, given the fact that the main theme of the UNCTAD XI Conference has already been agreed to after an extensive debate, viz., "enhancing the coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries," the sub themes should now support the overall theme without much rhetoric or re-writing the DDA.

I would also like to take this opportunity to thank you for sharing the non-paper that was delivered in Geneva, on parameters and themes for the Ministerial text on trade, as well as on the sub themes covering Inter-connection of trade and development, special attention to poorer countries, and UNCTAD contribution. On inter-connection of trade and development, we share the view that it is in everyone's interest to work together toward the objective of full integration of all countries into multilateral trading system; we also accept that growth rates have accelerated for those developing countries that have experienced an increase in the ratio of trade to GDP. We ourselves have reduced tariffs (more) significantly than many developing countries and experienced increased in the ratio of trade to GDP. Therefore, we agree that the Ministerial text should underscore the theme of enhancing the synergies between trade and development.

As regards the theme on UNCTAD institutional contribution, we believe that UNCTAD contribution should include providing technical assistance to developing countries and supporting their efforts for national policies that are aimed to enhance the synergies between trade and development. We agree, that in advancing UNCTAD's institutional contribution in these areas, we should focus on the paragraphs that you have referred to in the non-paper in the preparatory work for UNCTAD XI.

As highlighted in the non-paper we recognize that there are a large number of paragraphs in the draft text that covers DDA in its entirety. The inclusion of almost all the Doha Agenda issues in the UNCTAD draft Ministerial with different interpretations in effect would amount to renegotiating the Doha Declaration and creating a parallel process of negotiations in another arena, which we should avoid at this

stage of negotiations as progress is being made in the WTO.

I may add that taking into account the concerns expressed in your letter and having studied your non-paper, we have already advised our representatives in Geneva not to support G-77 position, which may lead in any way to re-interpretation of the DDA. I may also mention that Director-General of Commerce Mr. K.J. Weerasinghe and his team of officials will monitor closely the preparatory process, and the draft text and will provide necessary guidance and instructions to our representative in Geneva

Yours Sincerely,

Ravi Karunanayake
Minister of Commerce and Consumer Affairs

End Text
LUNSTEAD